

STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE SERVICES

Before the Commissioner of Financial and Insurance Services

In the matter of:

EQUISOURCE HOME CREDIT, INC.
License/Registration No.: SL-1007

Enforcement Case No. 04-2744

Respondent.

_____ /

Issued and entered
This 23rd day of August, 2004
by Linda A. Watters
Commissioner of Financial and Insurance Services

FINAL ORDER

I

BACKGROUND

The Commissioner of the Office of Financial and Insurance Services (OFIS) is authorized under the Secondary Mortgage Loan Act (SMLA), MCL 493.51 *et seq.* to license, renew a license, revoke, suspend or deny a license. Additionally, the Commissioner is authorized to assess penalties and civil fines for certain violations of the statute.

Further, it is a violation of the SMLA for a licensee or registrant to refuse or fail to pay, within a reasonable time, those expenses assessed to the licensee or registrant under this act. Should a licensee fail to pay, within a reasonable time, those expenses assessed to the licensee or registrant under this act, the Commissioner is authorized to take action against the licensee up to and including assessing penalties and civil fines and revoking the license.

On April 16, 2004, staff of OFIS sent to Respondent by first class mail with sufficient postage affixed, a Notice of Opportunity to Show Compliance.

On or about May 13, 2004, a Notice of Intention to Revoke License was issued in this matter and mailed to Respondent via certified mail. Again, on July 23, 2004, a Notice of Intention to Revoke License was issued in this matter and hand delivered on July 26, 2004, to Ms. Tracy Houttekier at 5075 Sebring, Bloomfield Hills, Michigan. Ms. Tracy Houttekier is sister to Mr. Francis F. Houttekier, President of Equisource Home Credit, Inc. The notice advised Respondent that:

“Within twenty (20) days after the issuance of this Notice of Intention to Revoke License, you must file a written request for a hearing if you desire to contest the order. If you fail to timely file a request for a hearing the commissioner will enter a final order revoking your license and assessing the maximum civil penalty and late filing fee permitted by statute.”

Respondent failed to file a request for a hearing within 20 days of receiving said Notice of Intention to Revoke. Section 11(2) of the SMLA provides that if a hearing is not requested within 20 days after the notice of intention to revoke, the commissioner shall enter a final order regarding suspension or revocation.

Pursuant to Governor Engler’s Executive Order 2000-4, effective April 3, 2000, all authority, powers, duties, functions and responsibilities of the former Financial Institutions Bureau and its Commissioner were transferred to the Office of Financial and Insurance Services and its Commissioner, respectively.

II ISSUE

The principal issue is whether Respondent failed to submit payment of a delinquent invoice in a timely manner as required by section 6a(8) of the SMLA, MCL 493.56a(8).

III

FINDINGS OF FACT

Based on the foregoing considerations, it is found that:

1. At all pertinent times, EQUISOURCE HOME CREDIT, INC. (Respondent) was licensed by the Office of Financial and Insurance Services pursuant to the SMLA.
2. As a licensee, Respondent knew or had reason to know that Section 6a(8) of the SMLA requires licensees to pay, within a reasonable time, expenses assessed to the licensee or registrant under this act.
3. Respondent failed to pay invoice number E92056, issued July 8, 2003, reflecting a penalty for the late filing of the annual report for year ended December 31, 2002.
4. Section 11(2) of the SMLA provides that if a hearing is not requested within 20 days after the notice of intention to revoke, the commissioner shall enter a final order regarding suspension or revocation.

Respondent was provided proper notice of the opportunity for a hearing and the allegations and complaint.

6. Respondent has not requested a hearing in this matter.

IV

CONCLUSIONS OF LAW


Based upon a review of applicable laws, it is concluded that:

1. Respondent violated section 6a(8) of SMLA, supra, by failing to pay invoices within a reasonable time.

V
ORDER

Therefore, it is ORDERED that:

1. Respondent's license is revoked.
1. Respondent shall pay a penalty of \$575 pursuant to section 6a(9) of SMLA, supra, for the late filing of the annual report for year ended December 31, 2002.
2. For violating section 6a(8) of SMLA, supra, pursuant to section 27(3) of the SMLA, supra, Respondent shall pay a civil fine of \$1,000.



Linda A. Watters
Commissioner of Financial and Insurance Services